

FISCAL NOTE

HB 2445 - SB 2666

February 22, 2002

SUMMARY OF BILL:

- Prohibits a public post-secondary institution of higher education from issuing more parking passes to faculty and students for on-campus parking than the number of parking spaces established for such purpose.
- Prohibits the institution from collecting fines if there was an over-issuance of parking passes.
- Provides that a parking pass issued to a student shall not be restricted to a specific lot but will be valid on any lot on campus designated for student parking.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$5,000,000

Estimate assumes:

- If students are no longer restricted from parking in a specific lot and are allowed to park at any student designated lot, there would be a reduction in citations given, thereby reducing revenues.
- Prohibiting fines to be assessed and collected from the over-issuance of permits would further reduce revenues.
- There is a sales tax implication for the state since faculty/staff permits are taxable. Students are currently exempt from taxation. The lost revenue in sales tax from the faculty is based on 8.25% of the reduction in revenues from faculty and staff permit sales.
- More parking permits are sold on a campus than are actually available because of the fact that some of the students may not be on campus on the same day as other students.
- The impact will be less to the extent parking permit fees are increased to offset the loss in revenues from less permits being sold.
- There could be an impact on UTK when considering athletic and special events. Commuter parking lots are used for university donors attending these events. If students are allowed to park in these lots and are not required to clear the lots before the events, spaces may not be available to donors who could decrease their contributions for loss of parking privileges. (Note: No estimate has been included in the fiscal impact for this item.)

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Details of the estimate are as follows:

	UT	TBR
Total lost revenue from excess permits not being sold	\$1,366,947	\$1,252,200
Total lost revenue from prohibiting citations	1,074,000	1,480,400
Sales Tax implication	<u>30,730</u>	<u>25,000</u>
Total	<u>\$2,471,677</u>	<u>\$2,757,600</u>
Total Estimated Decrease in State Revenues		\$5,229,277

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director